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UNCLAS YEREVAN 001452

SIPDIS

SENSITIVE

DEPT FOR EUR/CACEN, EUR/ACE, EB/IPC
PLS PASS TO USTR, USPTO

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TAGS: [ECON](#) [EFIN](#) [KIPR](#) [AM](#)

SUBJECT: IPR POLICE UNIT (FINALLY) PUT IN ACTION

SENSITIVE BUT UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

SUMMARY

11. (SBU) In its first major action since its creation in January 2005, Armenia's IPR police unit July 20 cracked down on three companies which together control roughly 70 percent of the pirated CDs, DVDs and tapes market. The police confiscated more than 50,000 illegal CDs, tapes and videotapes and filed an indictment. Head of the IPR Agency Armen Azizyan told us that in the police will soon close down the rest of the companies producing and distributing illegal pirated products. "The press has actually done us a favor by increasing public awareness regarding the IPR law, piracy and existence of enforcement unit," Azizyan said. Although this is a step forward in IPR law enforcement, no steps have been taken to curb the broadcast of films and TV shows without a license. End Summary.

POLICE CRACK DOWN ON RECORDING STUDIOS

12. (SBU) The director of "ArmAuthor" NGO Susanna Nersisyan told us that their organization filed a claim against several recording studios violating the "IPR and Related Rights Law" by failing to pay fees for reproducing the works of several local authors. (Note: ArmAuthor collects fees and royalties in Armenia similarly to ASCAP in the U.S. End Note.) A police unit of Armenia's Anti-Organized Crime of RA Police" started an investigation and on July 20 they searched warehouses and confiscated more than 50,000 illegal CDs, tapes and videotapes. They instituted a criminal case against those companies "HD," "THD" and "Reco Records" which are owned by the Khanoyan brothers and control around 70 percent of the market for the production and distribution of pirated products. ArmAuthor's Nersisyan and Azizyan believe that the police will crack down the other companies producing and distributing illegal products. Nevertheless, under the current legislation the police cannot prosecute international IPR violations without a complaint, filed in Armenia, by an aggrieved party.

ANOTHER CASE OF PROTECTIONISM?

13. (SBU) The owners of the raided companies, the Khanoyan brothers, claim that the police action was organized on the orders of Ashot Giziryan, head of the Unit of Fight Against Organized Crime, who is alleged to own another recording studio, "KK Studio," and who they claim is trying to drive them out of the market. Karen Karapetyan, "KK Studio" general director, denied any connection with Giziryan in a number of interviews, and claims that the studio is operating legally, has more than 100 agreements with authors and performers, and pays the required fees to ArmAuthor.

COMMENT: IPR ENFORCEMENT STILL HAS A WAY TO GO

14. (SBU) It's a good sign that the police may finally taking IPR enforcement seriously and is cracking down on the producers of pirated products. Closing down the major player in that field is a huge step forward. Despite the campaign against pirated music and films, the enforcement unit has not taken action against the broadcasting of unlicensed programs on TV or production and distribution of unlicensed software, and this case was against reproduction of Armenian products. The enforcement unit has few legal options with regard to pirated international goods, since the law does not provide for ex-officio prosecutions. We continue to support regulation and enforcement of IPR in Armenia through USG programs, and will continue to press the GOAM to pass legislation that will make Armenia's IPR regime

as effective as possible.
GODFREY